



POWER YOUR PROFIT

Technology is being increasingly used by hoteliers to strategize and bolster revenues in their properties.

BY BINDU RAO

As travel recovery continues and the travel industry (both hotels and flights alike) gains from the seller's market, it is imperative that effective Revenue Management systems are in place to deliver sound gains whilst capturing the optimal share metric.

ROBUST SYSTEMS

Global hotel brands have instilled robust RM systems which feed real time market conditions and help guide and support the commercial teams in effective course of action in these fluid demand patterns. In the hospitality industry, various revenue management systems are used, such as property management systems (PMS) with revenue management capabilities, channel management systems (CMS) for distribution, customer relationship management (CRM) systems for guest data analysis, and revenue management systems (RMS) specifically designed for optimizing



➔ Vishvesh Madhavan, Market Head of Revenue, Bangalore, Hilton Hotels and Resorts

pricing and inventory allocation.

Vishvesh Madhavan, Market Head of Revenue, Bangalore, Hilton Hotels and Resorts, says, "We have the best-in-industry Revenue Management systems in place for optimizing availability, rates and yielding strategies across our distribution spectrum to deliver tangible results. As for the RM systems – hotels are now going above and beyond the usual revenue optimization cycle, which was vastly dedicated to rooms. Revenue Intelligence is now circled across revenue generating segments including food and beverage, catering (both out-

door and indoor) and to even finer detail segments such as value add-ons and ancillary on spends.”

TECH TALK

By implementing online booking engines, mobile apps, and channel management systems, technology streamlines the hotel booking process, providing a seamless and convenient experience for guests. This leads to increased direct bookings, reduced reliance on intermediaries, and ultimately boosts hotel revenue.

Vinesh Gupta, General Manager, The Den Bengaluru, avers, “Technology enhances upselling and cross-selling efforts by providing data-driven insights into guest preferences, allowing personalized recommendations. It enables targeted marketing campaigns through customer relationship management (CRM) systems, in-app messaging, and email automation. By leveraging technology, hotels can effectively increase revenue by promoting and selling additional services and upgrades to guests. Technology enables hotels to leverage data-driven insights, personalized marketing automation, and targeted advertising campaigns. By utilizing advanced analytics, customer relationship management (CRM) systems, and digital marketing tools, hotels can optimize their marketing efforts, reach the right audience, and drive higher conversions, ultimately increasing revenue.”

REVENUE PUSH

Technology in revenue management systems help streamline



➤ Vinesh Gupta, General Manager, The Den Bengaluru

booking processes and upsell and cross-sell better.

“Pricing our rooms right every day of the year can sometimes be a challenge for us. So we use ‘Precium’, an automated pricing tool that recommends our daily pricing based on the pace and demand levels. We also use The Hotel Network (THN) system to analyse our online traffic and make the right marketing strategies and a channel manager that distributes in real time our inventory to various electronic channels. We have integrated systems that are aligned to update pricing, share live inventory, and offer real-time rates to various OTA channels. Our bookings flow from one channel to another seamlessly. Our value add-ons are linked to our booking engine to encourage cross selling between rooms and the adventure activities we offer across our property. Our rooms selling page displays all offers to enable cross selling. Our integrated systems have



➤ By offering competitive rates and ensuring accurate inventory availability, resorts can attract more guests and maximize revenue potential

made our marketing initiatives seamless and more effective, giving us a good ROI,” says Owais Altaf Syed, Director, Empyrean Skyview Projects Private Limited.

DATA ANALYSIS

Revenue Management has now become more reliant on forward-looking data rather than actualized and technology (RM Systems) is ensuring that the main pivot to revenue streams entail a forward-looking approach while evolving from learnings taken from past data. Abhishek Rao, Director of Sales & Marketing JW Marriott Chandigarh, says, “We use a Marriott proprietary tool called ‘One Yield’, which uses Artificial Intelligence and past trends to predict market demand, analyses and provides optimal price recommendation considering price elasticity, trends, and the dynamic market conditions. The correct use of technology helps us price ourselves competitively by understanding market dynamics and trends. In addition, technology has also helped us in our distribution initiatives by streamlining our booking channels (hotel website, app, metasearch engines and online travel portals). We also have our Property Management System at the hotel, which not only helps us with managing our inventory and process bookings, but also understand and record guest preferences, which helps us create memorable experiences for our esteemed guests.”

MARKETING PUSH

Marketing technology, including channel management software, plays a crucial role in increasing revenues for hotels/ resorts by



➤ Owais Altaf Syed, Director, Empyrean Skyview Projects Private Limited



Abhishek Rao Director of Sales & Marketing JW Marriott Chandigarh

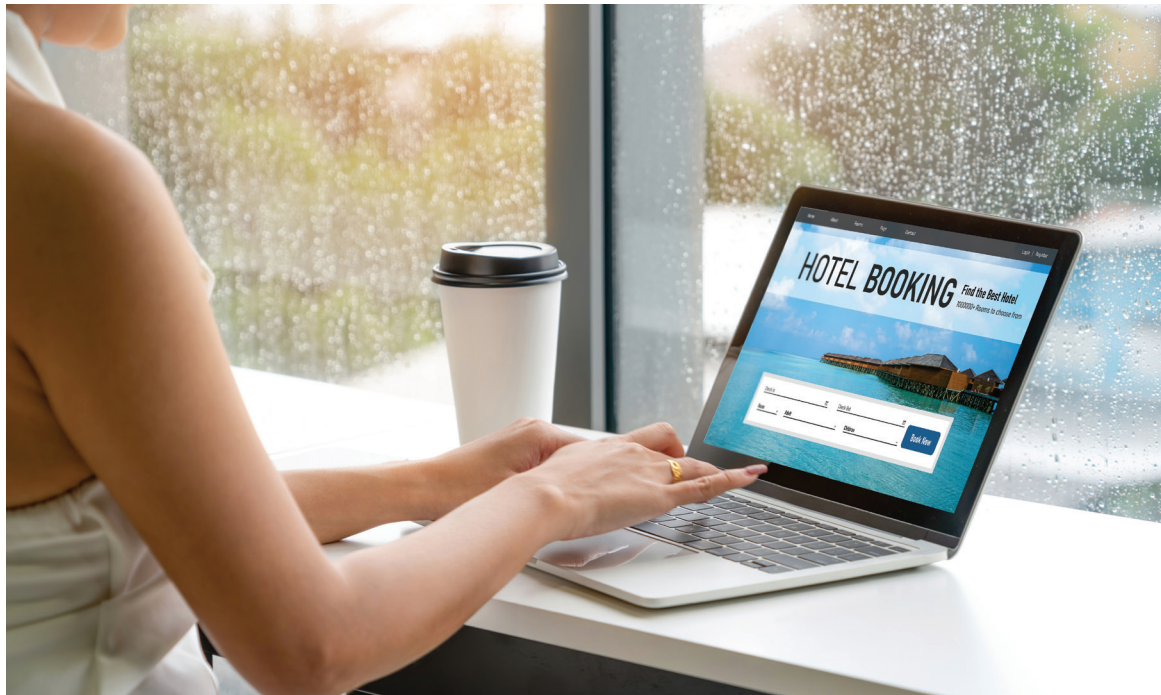
optimizing distribution channels and enhancing marketing strategies.

Ranjan Chopra, Managing Director, Avataara, explains, “Channel management software allows resorts to centrally manage their distribution channels, including online travel agencies (OTAs), global distribution systems (GDS), direct booking engines, and other distribution partners. It provides a single interface through which the resort can control and update rates, availability, and inventory across multiple channels simultaneously.”

The software helps resorts optimize their rates and inventory based on market demand, competitor analysis, and historical data. It enables dynamic pricing strategies, allowing the resort to adjust rates in real-time based on factors like seasonality, occupancy levels, and market conditions. By offering competitive rates and ensuring accurate inventory availability, resorts can attract more guests and maximize revenue potential.



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➔ By implementing online booking engines, mobile apps, and channel management systems, technology streamlines the hotel booking process, providing a seamless and convenient experience for guests

“Channel management software automates the process of updating rates, availability, and restrictions across different distribution channels. Instead of manually managing each channel separately, the software synchronizes changes in real-time, reducing the risk of overbookings or discrepancies. This automation saves time and ensures consistent and up-to-date information across all channels,” adds Chopra.

Neha Chowdhury, Director of Sales & Marketing Courtyard by Marriott Mumbai International Airport, avers, “It makes your marketing more effective. The system analyses the overall unconstrained demand in the market and recommends the LRV (Last Room Value) and the rate indicated between the floor and ceiling value assigned to a particular room category. The system allows us to update the upgrade path of room categories which ensures us to upsell higher rooms and suites if the demand for base category rooms is more than the supply in the comp set hotels. Revenue management and marketing go hand in hand wherein we curate room packages as per the demand in the market.”

ARTIFICIAL INTELLIGENCE MATTERS

Hoteliers are moving into an era when AI will be increasingly used and the RM systems will evolve to onboard more data points and insights. Through AI and RM systems in place, flights and hotels are moving away from static pricing and implementing dynamic pricing models not just to maximize revenues, but also to extend the flexibility to the customer during peak and valley periods.

“AI-based pricing and promotions analyse data, competition, and market trends to optimize room rates. Our revenue management tools use AI algorithms to assist in accurate demand forecasting, enabling hotels to make any price adjustments accordingly. Moreover, AI facilitates personalized promotions by analysing customer data, leading to targeted offers that increase customer engagement and bookings,” says Rao. By considering factors

such as demand, competitor prices, and market trends, AI systems can set optimal room rates and create targeted promotions, leading to increased revenue, occupancy, and profitability for hotels.

NEXT GEN TECH

Revenue Management has always been evolving and we have already transitioned into Total Hotel Revenue Management. Next Gen revenue management will entail a healthy blend of Total Hotel Revenue Management and advanced metrics in convention and catering space management and optimization.

Syed says, “Revenue managers are mostly overburdened with work. Next-generation revenue management will reduce their workload thereby improving their efficiency. Revenue managers will become more proactive than reactive and hotels will be able to maximize their revenues using technology. Every hotel/ homestay needs customised tools and systems that fit their specific needs. The requirements of a 10-room boutique property or a two-bedroom homestay will be completely different from a 500-room resort or five-star hotel. Having said that, most hotels use Automated Revenue Management Software and Rate Shopping Tools. They also refer to various data reports like Agency 360 for GDS data to get better insights into the market dynamics and demand graphs.”

The next-generation revenue management technology helps manage inventory which, at its optimum, would yield higher revenues by recommending optimum pricing for room categories. Different revenue management methods used in hotels include demand forecasting, pricing optimization, inventory management, overbooking management, segmentation and targeting, distribution channel management, upselling and cross-selling strategies, and yield management techniques. These methods help hotels maximize revenue by effectively managing pricing, inventory, and customer demand. ■



➔ Neha Chowdhury, Director of Sales & Marketing Courtyard by Marriott Mumbai International Airport



➔ Ranjan Chopra, Managing Director, Avataara